

Message Text

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67

ACTION XMB-07

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 L-03 DRC-01 /106 W

----- 007283

R 191655Z SEP 73

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 3978

UNCLAS REYKJAVIK 1108

DEPARTMENT PASS EXIMBANK FOR GEORGE DONEGAN

E.O. 11652: N/A

TAGS: BEXP IC

SUBJECT: EXIM FINANCING OF CATERPILLAR EQUIPMENT FOR LANDSVIRKJUN

REF: REYKJAVIK 1027 AND 1053; STATE 180481

1. EMBOFF MET TODAY WITH REPRESENTATIVES OF LANDSVIRKJUN AND AGENT FOR CATERPILLAR TO DISCUSS PENDING FINANCING FOR \$1.5 MILLION OF CATERPILLAR EQUIPMENT BEING PURCHASED BY LANDSVIRKJUN. EXIM SHOULD HAVE RECEIVED BY NOW A TELEX FROM EIRIKUR BRIEM OF LANDSVIRKJUN GIVING SOME DETAILS ON SIGALDA HYDROELECTRIC PROJECT AND ASKING FOR BEST POSSIBLE ARRANGEMENT ON FINANCING. BASED ON CONVERSATIONS WITH DONEGAN, EMBOFF EXPLAINED THAT EXIM WOULD WORK DIRECTLY WITH CATERPILLAR RATHER THAN MAKE DIRECT LOAN TO LANDSVIRKJUN. THIS ARRANGEMENT IS SATISFACTORY TO LANDSVIRKJUN BUT CONFIRMATION OF THIS FROM EXIM IN REPLY TO BRIEM'S TELEX WILL BE HELPFUL IN CLARIFYING SITUATION ONCE AND FOR ALL AND RULING OUT ANY DIRECT CREDIT TO LANDSVIRKJUN.

2. CATERPILLAR IS REQUESTING THROUGH ITS GENEVA OFFICE THAT ITS WASHINGTON REP REQUEST EXIM AUTHORIZATION TO MAKE INITIAL SHIPMENT ON BASIS OF EXIM'S FORTHCOMING PRELIMINARY COMMITMENT TO CATERPILLAR AND WITHOUT WAITING FOR COMPLETE DETAILS OF CREDIT TO BE ARRANGED AND FINALIZED. IF SUCH A PRO-

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CEDURE IS POSSIBLE IT WOULD BE OF CONSIDERABLE HELP TO

LANDSVIRKJUN WHICH IS MOST ANXIOUS TO GET EQUIPMENT TO ICELAND
IN ORDER TO PROCEED ON THIS LONG-DELAYED PROJECT. EMBASSY
WOULD APPRECIATE EXIM'S TAKING WHATEVER STEPS ARE NECESSARY
TO INSURE EARLIEST POSSIBLE SHIPPING DATE UNDER EXIM FINANCING.
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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